

THE HUMAN FACTOR

DR. ANIL KHANDELWAL, FORMER CHAIRMAN AND MD, BANK OF BARODA

Mobilising Employee Passion

With geographically-distant branches, it can become tiresome to communicate your vision to 38,000 employees, but BoB managed to accomplish it effectively



Dr. Anil Khandelwal has a brilliant academic career and over three decades of banking experience behind him. When we asked about him about the experiences he encountered while managing Dena Bank and Bank of Baroda (BoB), Dr. Khandelwal said, "At Dena Bank, the problems were very different. It had a huge amount of non performing assets and there was a need to raise capital." At his year-long tenure there as CMD, he successfully piloted the much-needed turnaround, and he shares with us details, "When we brought in Juhi Chawla as the brand ambassador, Dena Bank became the first PSU bank to have a celebrity endorsement." With the help of advisory organisations for technology and financial assistance, Dr. Khandelwal was

able to handle the ailing bank by mobilising the passion of the employees. This, according to him is the most important facet in managing the human resources of an organisation.

Soon after his term at Dena Bank got over, he stirred ahead to become the MD at Bank of Baroda. The bank had, at that time, slipped from 1st to 4th position in PSU banks' ranking. He already knew that the challenges at BoB lay in three arenas: technology, image of the bank, and less credit growth. He decided to tackle these issues through a hundred-day programme. It kicked off with the appointment of Rahul Dravid as the brand ambassador, aimed at giving the bank a more reliable image. The logo was changed, and this was implemented at over 2800 branches in just 55 days. He says that BoB pioneered the concept of customer-centric innovations by introducing '8 am to 8 pm' banking since they realised that customers could not always adjust to the '10 am to 5 pm' timing. Also, they devised a strategy to address the needs of the Indian youth by opening the first-ever Gen-Next branch in Pune. This had conveniences like a library, internet browsing, career counselling and yes, banking too.

Dr. Khandelwal goes on to explain that such strong customer focus should rub off on employees too. With large and geographically-distant branches, it can become quite tiresome to communicate your vision and mission to 38,000 employees, but BoB managed to accomplish it effectively.

But how did they handle it? Stay in touch with your people; addressing and listening to their suggestions works wonders for an organisation, says Dr. Khandelwal. It is important to travel to different branch locations for open houses and blunt dialogues with your employees. Dr. Khandelwal says that they spoke about things like where they had gone wrong and how they could find solutions to address those problems. This helped tremendously because employees are the finest-equipped to deal with the grievances and queries of customers. The 'Retail Loan Factory' model was a BoB brainchild, and it helped combat a lot of mid-level hurdles. Loans were granted in six days, since the model was based on assembly-line format which connected directly to the central office. The names of employees at all branches were entered into the computer system and any circulars would be individually addressed to them, to ensure that they reached out to them and employees knew about the happenings at the bank.

Upon enquiring whether BoB worked with external agencies during this transformation, Dr. Khandelwal tells us that they worked with McKinsey & Company for the same. In terms of technology, they opened around 300 ATMs in just 100 days. In fact, they set up 200 ATMs on a single day, which had been inaugurated by the then Finance Minister, Mr. P. Chidambaram. Dr. Khandelwal says that this hundred-day exercise helped generate so much passion amongst the employees that the bank was able to return to its earlier status, proved by the various awards they received for branding and HR. At an individual level too, he has received several awards, such as the Asian Banker Award and the Lifetime Achievement Award by ISTD. In 2005, The Economic Times ranked him 36th among the 100 Most Powerful CEOs in the country and he is perhaps the only public sector bank chief to find a place in the list.

With such a wealth of knowledge behind him, we want to know how other organisations can achieve their goals as effectively as he did with BoB. He replies swiftly, "I strongly believe that intangibles hold the key to tangibles. Most people focus on financial results, quarter-to-quarter, so they are unable to devote enough time to intangibles like HR and leadership. They should change this, as intangibles create the foundation for future survival." ▣

